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OCI No. 2334/65

CENTRAL INTELLIGENCE AGENCY Office of Current Intelligence 17 October 1965

INTELLIGENCE MEMORANDUM

The Indonesian Situation (Report #32 -- As of 4:00 P.M. EDT)

1. At the 16 October installation of General Suharto as army commander, President Sukarno stated that he needed "an atmosphere not set aflame from left and right" in order to "find a political solution." Sukarno termed the 30 September "incident" as merely "a ripple in the vast ocean of the Indonesian revolution."

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army believes that through continual agitation against the PKI, Sukarno will eventually accede to the army's wishes.

4. Various reports indicate that Sukarno, in an attempt to placate the army, may ban the PKI and replace it with a new "national" Communist party.

5. There	is as yet no	confirmation o	f the
report that PK		_	•
on 14 October,		rs to that eff	<u>ect are</u>

now circulating in Djakarta.

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